



# House of Representatives

General Assembly

**File No. 252**

February Session, 2018

House Bill No. 5402

*House of Representatives, April 5, 2018*

The Committee on Banking reported through REP. LESSER of the 100th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

**AN ACT CONCERNING THE REPORTING OF RESIDENTIAL CUSTOMERS' NONPAYMENT FOR CERTAIN UTILITY AND TELECOMMUNICATION SERVICES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-262d of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2018*):

3 (a) No electric distribution, gas, telephone or water company, no  
4 electric supplier and no municipal utility furnishing electric, gas or  
5 water service may terminate such service to a residential dwelling on  
6 account of nonpayment of a delinquent account unless such company,  
7 electric supplier or municipal utility first gives notice of such  
8 delinquency and impending termination by first class mail addressed  
9 to the customer to which such service is billed, at least thirteen  
10 calendar days prior to the proposed termination, except that if an  
11 electric distribution or gas company, electric supplier or municipal  
12 utility furnishing electric or gas service has issued a notice under this  
13 subsection but has not terminated service prior to issuing a new bill to

14 the customer, such company, electric supplier or municipal utility may  
15 terminate such service only after mailing the customer an additional  
16 notice of the impending termination, addressed to the customer to  
17 which such service is billed either (1) by first class mail at least thirteen  
18 calendar days prior to the proposed termination, or (2) by certified  
19 mail, at least seven calendar days prior to the proposed termination. In  
20 the event that multiple dates of proposed termination are provided to  
21 a customer, no such company, electric supplier or municipal utility  
22 shall terminate service prior to the latest of such dates. For purposes of  
23 this subsection, the thirteen-day periods and seven-day period shall  
24 commence on the date such notice is mailed. If such company, electric  
25 supplier or municipal utility does not terminate service within one  
26 hundred twenty days after mailing the initial notice of termination,  
27 such company, electric supplier or municipal utility shall give the  
28 customer a new notice at least thirteen days prior to termination. Every  
29 termination notice issued by a public service company, electric  
30 supplier or municipal utility shall contain or be accompanied by an  
31 explanation of the rights of the customer provided in subsection (c) of  
32 this section.

33 (b) No such company, electric supplier or municipal utility shall  
34 effect termination of service for nonpayment during such time as any  
35 resident of a dwelling to which such service is furnished is seriously ill,  
36 if the fact of such serious illness is certified to such company, electric  
37 supplier or municipal utility by a registered physician or an advanced  
38 practice registered nurse within such period of time after the mailing  
39 of a termination notice pursuant to subsection (a) of this section as the  
40 Public Utilities Regulatory Authority may by regulation establish,  
41 provided the customer agrees to amortize the unpaid balance of his  
42 account over a reasonable period of time and keeps current his account  
43 for utility service as charges accrue in each subsequent billing period.

44 (c) No such company, electric supplier or municipal utility shall  
45 effect termination of service to a residential dwelling for nonpayment  
46 during the pendency of any complaint, investigation, hearing or  
47 appeal, initiated by a customer within such period of time after the

48 mailing of a termination notice pursuant to subsection (a) of this  
49 section as the Public Utilities Regulatory Authority may by regulation  
50 establish; provided, any telephone company during the pendency of  
51 any complaint, investigation, hearing or appeal may terminate  
52 telephone service if the amount of charges accruing and outstanding  
53 subsequent to the initiation of any complaint, investigation, hearing or  
54 appeal exceeds on a monthly basis the average monthly bill for the  
55 previous three months or if the customer fails to keep current his  
56 telephone account for all undisputed charges or fails to comply with  
57 any amortization agreement as hereafter provided.

58 (d) Any customer who has initiated a complaint or investigation  
59 under subsection (c) of this section shall be given an opportunity for  
60 review of such complaint or investigation by a review officer of the  
61 company, electric supplier or municipal utility other than a member of  
62 such company's, electric supplier's or municipal utility's credit  
63 authority, provided the Public Utilities Regulatory Authority may  
64 waive this requirement for any company, electric supplier or  
65 municipal utility employing fewer than twenty-five full-time  
66 employees, which review shall include consideration of whether the  
67 customer should be permitted to amortize the unpaid balance of his  
68 account over a reasonable period of time. No termination shall be  
69 effected for any customer complying with any such amortization  
70 agreement, provided such customer also keeps current his account for  
71 utility service as charges accrue in each subsequent billing period.

72 (e) Any customer whose complaint or request for an investigation  
73 has resulted in a determination by a company, electric supplier or  
74 municipal utility which is adverse to him may appeal such  
75 determination to the Public Utilities Regulatory Authority or a hearing  
76 officer appointed by the authority.

77 (f) If, following the receipt of a termination notice or the entering  
78 into of an amortization agreement, the customer makes a payment or  
79 payments amounting to twenty per cent of the balance due, the public  
80 service company or electric supplier shall not terminate service

81 without giving notice to the customer, in accordance with the  
82 provisions of this section, of the conditions the customer must meet to  
83 avoid termination, but such subsequent notice shall not entitle such  
84 customer to further investigation, review or appeal by the company,  
85 electric supplier, municipal utility or authority.

86 (g) No electric distribution, gas [, telephone] or water company,  
87 [certified telecommunications provider,] gas registrant or municipal  
88 utility furnishing electric, gas or water service shall submit to a credit  
89 rating agency, as defined in section 36a-695, any information about a  
90 residential customer's nonpayment for electric, gas [, telephone,  
91 telecommunications] or water service unless the customer is more than  
92 [sixty] one hundred twenty days delinquent in paying for such service.  
93 In no event shall such a company, [certified telecommunications  
94 provider,] gas registrant or municipal utility submit to a credit rating  
95 agency any information about a residential customer's nonpayment for  
96 such service if the customer has initiated a complaint, investigation,  
97 hearing or appeal with regard to such service under subsection (c) of  
98 this section that is pending before the authority. If such a company,  
99 [certified telecommunications provider,] gas registrant or municipal  
100 utility intends to submit to a credit rating agency information about a  
101 customer's nonpayment for service, it shall, at least thirty days before  
102 submitting such information, send the customer by first class mail  
103 notification that includes the statement, "AS AUTHORIZED BY LAW,  
104 FOR RESIDENTIAL ACCOUNTS, WE SUPPLY PAYMENT  
105 INFORMATION TO CREDIT RATING AGENCIES. IF YOUR  
106 ACCOUNT IS MORE THAN [SIXTY] ONE HUNDRED TWENTY  
107 DAYS DELINQUENT, THE DELINQUENCY REPORT COULD  
108 HARM YOUR CREDIT RATING".

109 (h) No telephone company or certified telecommunications provider  
110 shall submit to a credit rating agency, as defined in section 36a-695,  
111 any information about a residential customer's nonpayment for  
112 telephone or telecommunications service, unless the customer is more  
113 than sixty days delinquent in paying for such service. In no event shall  
114 a telephone company or certified telecommunications provider submit

115 to a credit rating agency any information about a residential  
116 customer's nonpayment for such service if the customer has initiated a  
117 complaint, investigation, hearing or appeal with regard to such service  
118 under subsection (c) of this section that is pending before the authority.  
119 If a telephone company or certified telecommunications provider  
120 intends to submit to a credit rating agency information about a  
121 customer's nonpayment for service, it shall, at least thirty days before  
122 submitting such information, send the customer, by first class mail,  
123 notification that includes the statement, "AS AUTHORIZED BY LAW,  
124 FOR RESIDENTIAL ACCOUNTS, WE SUPPLY PAYMENT  
125 INFORMATION TO CREDIT RATING AGENCIES. IF YOUR  
126 ACCOUNT IS MORE THAN SIXTY DAYS DELINQUENT, THE  
127 DELINQUENCY REPORT COULD HARM YOUR CREDIT RATING".

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2018	16-262d
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**BA**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill increases, from 60 to 120, the number of days after a residential utility customer becomes delinquent before certain utilities may report the customer's nonpayment for service to credit rating agencies. Additionally, the bill alters the required notice utility companies must send to their customers.

These changes do not result in a fiscal impact to the state or municipalities as ratepayers.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****HB 5402*****AN ACT CONCERNING THE REPORTING OF RESIDENTIAL CUSTOMERS' NONPAYMENT FOR CERTAIN UTILITY AND TELECOMMUNICATION SERVICES.*****SUMMARY**

This bill increases, from 60 to 120, the number of days after a residential customer becomes delinquent before certain utilities may report the customer's nonpayment for service to credit rating agencies. Under the bill, the affected utilities are electric distribution companies (i.e., Eversource and United Illuminating); gas or water companies; gas registrants; and municipal utilities that furnish electric, gas, or water service.

The bill also changes the required notice such companies and registrants must send to their customers at least 30 days before making such a report to reflect the increase.

Under existing law, unchanged by the bill, telephone companies and certified telecommunications providers may report residential customers' nonpayment for service to credit rating agencies if their customers are more than 60 days delinquent and certain other conditions are met.

By law, a "credit rating agency" is any person who assembles and evaluates information about a consumer's credit standing and credit worthiness to furnish third parties with credit reports for monetary fees and dues.

EFFECTIVE DATE: October 1, 2018

**COMMITTEE ACTION**

Banking Committee

Joint Favorable

Yea     19     Nay   0     (03/20/2018)